

## Community resources

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*courage is contagious*

## Viewing cable 09CARACAS1599, CHAVEZ PROMOTES TRANSITION TO SOCIALIST ECONOMY, THREATENS

If you are new to these pages, please read an introduction on the [structure of a cable](#) as well as how to [discuss them](#) with others. See also the [FAQs](#)

### Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

### Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09CARACAS1599**.

Reference ID	Created	Released	Classification	Origin
09CARACAS1599	2009-12-29 22:50	2011-08-30 01:44	CONFIDENTIAL	Embassy Caracas

Appears in these articles:

<http://www.mcclatchydc.com/2011/05/05/113760/wikileaks-us-venezuela-even-fought.html>

VZCZCXRO7527  
RR RUEHAO RUEHCD RUEHGD RUEHHO RUEHMC RUEHNG RUEHNL RUEHRD RUEHRS  
RUEHTM  
DE RUEHCV #1599 3632250  
ZNY CCCCC ZZH  
R 292250Z DEC 09  
FM AMEMBASSY CARACAS  
TO RUEHC/SECSTATE WASHDC 0206  
INFO WESTERN HEMISPHERIC AFFAIRS DIPL POSTS  
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC  
RHMFISS/HQ USSOUTHCOM MIAMI FL  
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC  
RUEATRS/DEPT OF TREASURY WASHINGTON DC

C O N F I D E N T I A L CARACAS 001599

SIPDIS  
HQ SOUTHCOM ALSO FOR POLAD  
TREASURY FOR MKACZMAREK  
NSC FOR DRESTREPO  
NSC FOR LROSSELLO  
USDOC FOR 4332 MAC/ITA/WH/JLAO  
AMEMBASSY BRIDGETOWN PASS TO AMEMBASSY GRENADA  
AMEMBASSY OTTAWA PASS TO AMCONSUL QUEBEC  
AMEMBASSY BRASILIA PASS TO AMCONSUL RECIFE

E.O. 12958: DECL: 2019/12/28

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SUBJECT: CHAVEZ PROMOTES TRANSITION TO SOCIALIST ECONOMY, THREATENS FOREIGN AUTOMAKERS

CLASSIFIED BY: Richard Yoneoka, A/Economic Counselor, Embassy  
Caracas, ECON; REASON: 1.4(B), (D)

¶1. (SBU) On December 22, President Chavez inaugurated a chain of government-run retail stores called the Corporation of Socialist Markets (COMERSO). "We're going to defeat speculation. Private individuals can still sell, but they'll have to compete with us and with a people that is now fully aware," Chavez said. The COMERSO chain would consist of 11 subsidiaries, including stores selling household goods, socialist car dealerships, socialist pharmacies, socialist hardware stores, and a network of socialist "areperas," or restaurants that serve a traditional Venezuelan food. The same day, in another speech during the closing ceremonies of the Eighth Venezuela-China Mixed Commission in Caracas, Chavez said that in order to transition from capitalism to a socialist economy Venezuela would have to plan everything from the primary sector to the final consumer. "They'll see what's good. We'll show them what a real market is all about, not those speculative, money-grubbing markets, but a market for the people," Chavez said.

¶2. (SBU) On December 23, during a COMERSO car sale in the Plaza of Caracas, the Venezuelan government (GBRV) sold an allotment of 300 cars, including vehicles manufactured under the mixed Venezuela-Iranian company Veniran and Volkswagens imported tariff-free from Argentina. Commerce Minister Eduardo Saman said that the GBRV had entered the automotive sector in order to combat the capitalist speculation that allowed private car distributors to earn profits of 400 percent. "If we don't pay a 40 percent tariff for each vehicle, we can sell cars at a lower price too," an unidentified spokesperson for the automotive industry told the press.

¶3. (SBU) During the event, Chavez threatened Fiat, Ford Motor, Toyota and General Motors, telling the automakers to transfer their technology to local companies or be replaced by Chinese, Belarusian and Russian manufacturers. Chavez also ordered Commerce Minister Eduardo Saman to inspect a Toyota plant after it rejected a GBRV request to manufacture "socialist" SUVs. "If Toyota doesn't want to manufacture (what the GBRV orders), we'll tell them to leave...This is our house...we will take them over, expropriate them, pay them what it's worth, and then call the Chinese," Chavez said.

¶4. (C) COMMENT: Based on Chavez's own comments, the inauguration of COMERSO represents another step in Venezuela's transition to a socialist economy. Chavez's statement that foreign automakers must follow GBRV orders or leave the country reveals an increasing hostility to private companies operating in Venezuela. It also tracks with the recent nullification of two of Bayer's pharmaceutical patents for an antibiotic. After Bayer protested the local production of two generic copies of a Bayer drug, the GBRV rejected Bayer's request for assistance and revoked Bayer's intellectual property rights to the drug in question. These examples suggest that the GBRV considers private sector companies necessary in the short-term, but increasingly expendable as Venezuela moves further down the path to a socialist economy. END COMMENT.

DUDDY